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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SIZMEK INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 19-10971(SMB)
)
) (Jointly Administered)
)

**DECLARATION OF GLENN TOBIAS IN SUPPORT OF DEBTORS' MOTION FOR
AN ORDER AUTHORIZING AND APPROVING A PRIVATE SALE OF DEBTOR
SELLER'S PORTION OF THE ADSERVER BUSINESS FREE AND CLEAR OF ALL
LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, AND GRANTING
RELATED RELIEF**

I, Glenn Tobias, make this Declaration (the "Declaration") pursuant to 28 U.S.C.
§1746, and state as follows:

Introduction

1. I am the Chief Executive Officer of FTI Capital Advisors, LLC ("FTICA") and a
Senior Managing Director with FTI Consulting, Inc. ("FTI Consulting", together with FTICA,

¹ Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Sizmek Inc. (4624); Point Roll, Inc. (3173); Sizmek DSP, Inc. (2319); Sizmek Technologies, Inc. (6402); Wireless Artist LLC (0302); Wireless Developer, Inc. (9686); X Plus One Solutions, Inc. (8106); and X Plus Two Solutions, LLC (4914). The location of Debtors' service address for purposes of these chapter 11 cases is: 401 Park Avenue South, 5th Floor, New York, NY 10016.

“FTI”). On March 21, 2019, Sizmek Inc. and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, “Debtors”) engaged FTICA to provide investment banking and restructuring advisory services in these chapter 11 cases.

2. I submit this declaration (“Declaration”) in support of *Debtors’ Motion for an Order Authorizing and Approving a Private Sale of Debtor Seller’s Portion of the AdServer Business Free and Clear of all Liens, Claims, Encumbrances, and Other Interests and Granting Related Relief* (the “Motion”).²

3. Except as otherwise indicated, all statements in this Declaration are based on my personal knowledge of Debtors’ operations and finances gleaned during the course of my engagement with Debtors; my discussions with Debtors’ senior management, other members of the FTI team, and Debtors’ other advisors; my review of relevant documents; and my views based upon my experience. If called to testify, I would testify competently to each of the facts set forth in this Declaration. I am authorized to submit this Declaration on behalf of FTI for Debtors.

Background and Qualifications

4. I joined FTI in 2009 and have more than twenty-five years of experience advising clients on and executing mergers and acquisitions and financings. Prior to joining FTI more than ten years ago, wherein most of my time has been spent building and now leading our investment banking efforts, I have worked in positions focused on advising and executing transactions through senior banking and corporate positions, as well as an independent consultant. I have advised clients in many industries, including media, internet and software companies, on a broad range of restructuring, acquisition, and capital raising transactions.

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Motion.

5. FTI is an internationally recognized restructuring and turnaround firm, has a wealth of experience in providing financial advisory services, and enjoys an excellent reputation for the services it has rendered in large and complex chapter 11 cases on behalf of debtors and creditors throughout the United States. FTI's professionals, including those within FTICA, have provided strategic advice to debtors, creditors, bondholders, investors and other entities in numerous chapter 11 cases of similar size and complexity to Debtors' chapter 11 cases. FTI has provided or is providing restructuring and/or investment banking services in cases such as: Sears Holdings Corp., Open Road Films, LLC, F+W Media, Inc., RadioShack Corporation, SFX Entertainment, Chassis, Inc., Peabody Energy Corp., CIT Group, MF Global, Vertellus Specialties, Inc., Aeropostale, Inc., American Apparel, Inc., and Hastings Entertainment, Inc.

FTI's Engagement

6. Pursuant to the Engagement Letter dated March 21, 2019, FTICA agreed to serve as Debtors' investment banker and financial advisor. Since it was engaged, FTI's professionals have worked closely with Debtors' management, employees and other advisors to assist Debtors with, among other things, contacting prospective buyers, business and due diligence discussions with prospective buyers, and participating in negotiations among Debtors and prospective buyers to help facilitate a going concern sale of Debtors' assets.

7. FTI immediately began work on a sale process upon commencement of its engagement, creating a data room, contacting potentially interested parties and fielding dozens of inbound inquiries. The data room was available on March 31, 2019 and over fifty-five (55) parties have been granted access to the data room. At least a dozen of these parties indicated they were primarily interested in the AdServer business.

8. Under my supervision, the FTI team has worked closely with Debtors' management and their other professionals and has developed substantial knowledge about Debtors' operations and financial condition.

The Marketing and Sale Efforts

9. FTI, with the support of Debtors' management and other advisors, is leading the sale process for substantially all of Debtors' remaining assets, which comprise Debtors' AdServer and Peer39 businesses.

10. FTI has indicated to all buyers that the AdServer and Peer 39 businesses are available both individually and together in order to ensure that Debtors receive the highest and best price for both assets. In the sale process letter FTI sent to more than seventy (70) interested parties, it indicated that it would accept bids for any of the individual business segments or all of them.

11. Debtors received six (6) initial offers for AdServer by the initial April 12, 2019 bid deadline FTI set in the process letter. Since receiving these initial purchase offers, FTI and Debtors' management have participated in extensive diligence sessions and negotiations with the parties who submitted letters of interest.

12. Until very recently, when the Debtors decided to focus on completing a transaction with the Buyer, Debtors and FTI had been working with three parties each of which was actively engaged in bidding for the Purchased Assets. These parties engaged in many rounds of robust bidding over the course of several weeks. After Debtors were satisfied that they had negotiated the best deal possible, Debtors determined that it was in the best interest of their estates and their constituents to proceed forward with Buyer and work towards executing a mutually-agreeable transaction.

13. Based on my conversations with Debtors' management and my conversations with prospective buyers, as well as my understanding of the business realities, I believe selling the AdServer to Buyer on an expedited basis is the best way to maximize the value of this asset.

The Buyer and APA

14. In my role as Debtors' investment banker and financial advisor, I was actively involved in the solicitation and review of sales offers, as well as the negotiation of the APA.

15. Based on my participation in negotiations with the Buyer and my review of the APA, I believe the Sale Transaction and the APA represent the best way to maximize the value of the AdServer. The APA contemplates a Purchase Price of approximately \$30 million, which will be allocated between Debtor Seller and Non-Debtor Sellers as follows: (1) \$12,266,000 to Debtor Seller; (2) \$3,447,000 to Sizmek Technologies, Ltd (UK); and (3) \$14,288,000 to Sizmek Technologies, Ltd. (Israel). The Sellers will also retain the accounts receivable related to the AdServer business.

16. Central to maximizing value for the AdServer is completing the transaction on an expedited time frame. Debtors face serious challenges, including the potential loss of access to cash collateral if the AdServer must be sold through a lengthier sale process. Moreover, given the robust sales and marketing process that has occurred to date, a lengthier process is not necessary or advisable under the circumstances.

17. Throughout the marketing and solicitation process, the FTI team has participated in extensive conversations with Cerberus, in order to confirm that Cerberus is informed of the contemplated Sale Transaction and finds it acceptable.

18. The terms and conditions of the Sale Transaction are the product of good faith arm's length negotiations between the parties. Based on my extensive participation in all aspects of the

marketing process, the Buyer has acted in good faith and without any collusion. Based on the sale process and a review and evaluation of all of the proposals and potential buyers, the Buyer's offer very likely presents Debtors with the best value for the Purchased Assets and the proposed private sale to the Buyer is the most efficient means of maximizing the value of the Purchased Assets.

19. Based on my review of the APA, the Sale Transaction will result in significant benefits to Debtors' estates.

20. Absent consummation of the Sale Transaction, the value of the AdServer business will likely diminish, both by loss of employees and customers.

21. Debtors' entry into the APA is necessary, appropriate, and a reasonable exercise of Debtors' business judgment and should be approved.

22. Based on my experience, the terms and conditions of the Sale Transaction are fair, reasonable, and consistent with current market conditions.

Dated: June 3, 2019
New York, NY

Glenn Tobias

Glenn Tobias
Chief Executive Officer of FTI Capital Advisors, LLC
Senior Managing Director of FTI Consulting, Inc.